OCTOBER 1979

DISTRIBUTION

EXPORTING TO THE ORIENT

The Role of the Distribution Manager

Transpacific Transportation: A question of stability

VOLUME 78, NUMBER 10

Chilton's

OCTOBER 1979

DISTRIBUTION

ESTABLISHED 1901

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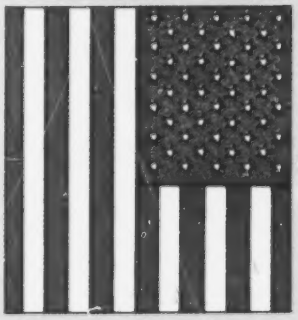

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Lighter moments in distribution

The Cover: The traditional Orient is harmoniously absorbing the arrival of foreign goods by air and sea.

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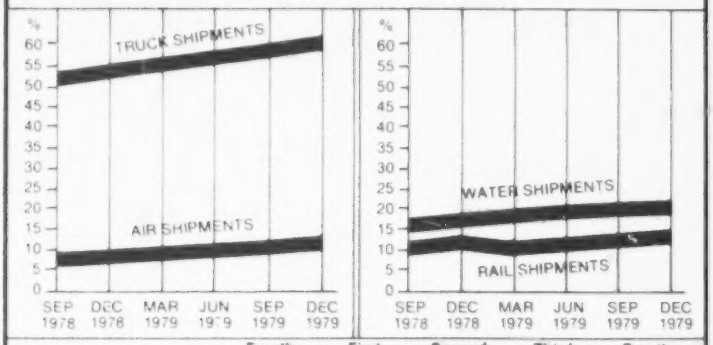

CATEGORY	Fourth Quarter '78	First Quarter '79	Second Quarter '79	Third Quarter '79	Fourth Quarter '79
Truck Shipments	2.1%	1.7%	1.5%	1.1%	1.1%
Air Shipments	1.5%	0.5%	0.4%	0.5%	0.6%
Water Shipments	0.7%	1.1%	0.6%	0.2%	0.2%
Rail Shipments	1.3%	0.1%	0.2%	0.3%	0.3%

The expected recession forecast for the past six months is finally beginning to show itself with the slowdown in factory orders, the decrease in new car sales and the drop in retail volume.

This decline is demonstrated in the recent DISTRIBUTION INDEX, which shows a slowdown in the transportation sector over the third quarter of 1979. Rail shipments are stable, rising by only a tenth of a percent from last quarter. This slight increase was partially due to hedge buying by some large firms hoping to stock up on critical raw materials before prices go even higher.

Use of air freight increased in the fourth quarter—but only fractionally—rising from 0.5% in the third quarter to only 0.6% in the fourth quarter. While air freight has traditionally been a growth industry, shippers forecast a drop in its usage for the balance of the year.

Truck shipments are usually the most popular form of transit for shippers because of their versatility. But it, too, is forecast to remain stable for the last quarter of the year. The same observation is made for water borne shipments for the fourth quarter.

An upturn in the transportation sector is not expected until the last part of the first quarter of 1980. The firms in the study were unanimous in forecasting a drop for the final period of 1979.

Many of the distribution managers in the study were pessimistic about the future. As one stated, "There is too much uncertainty. My firm is unable to respond because of the slack demand. My only advice to other companies is to ride out the depression storm."

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This catalog of some of the latest models gives the shipper thinking of private carriage an overview of the new trucks

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Do you run your private truck fleet, or does it run you? Here's a way to control costs you may not realize you're paying

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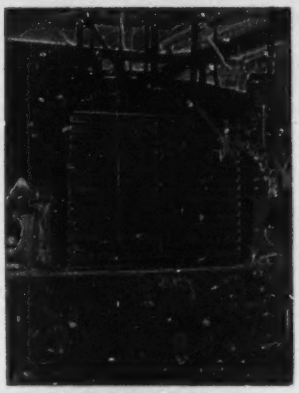

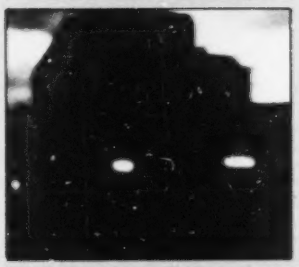

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Lighter moments in distribution

The Cover: The trucks are the same, but the scene looks different—just the feeling the industry has about the new world of motor carriage in an era of re-regulation and cost escalation.

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